

REMARKS

We have carefully reviewed the grounds for rejection enumerated in the Office Action dated May 9, 2001 (Paper No. 9). Reconsideration of the grounds of rejection is, therefore, requested in view of the remarks contained herein.

Amended Claim

Claim 11, is amended herein to better define the present invention. Thus, Applicants request that the Examiner add those claims to the Subject Application.

Summary of the Office Action

The Examiner rejected claims 1-75 under 35 U.S.C §103(a) as being unpatentable over U.S. Patent No. 5,640, 569 to Miller et al. ("*Miller*"). Applicants note, however, that the only claims 1-32 are presently pending in the application. Thus, Applicants will address claims 1-32 in the present Amendment.

Rejection of Claims 1-32 Under §103(a)

The Examiner states that claims 1-32 are unpatentable over *Miller* under §103(a). According to the Examiner, *Miller* discloses "a method of conducting an online auction between a plurality of potential bidders, the plurality of potential bidders competing for a lot having at least one product, comprising receiving a first bid and a second bid." The Examiner also states that *Miller* discloses an English auction, a system for conducting an online auction, and a computer program.

The Examiner further asserts that *Miller* does not disclose storing information reflective of a submitted first bid nor enabling a second bidder to view a bid originally defined in a context of a first bidder in a context of the second bidder.

According to the Examiner, the advantage of the English auction is that it "permits several bidders to collectively determine the fair value of a bidden upon item" and it would, therefore, have been obvious to inform the second bidder of the first bidder's bid in the method of *Miller*.

Based upon the reasoning presented below, Applicants respectfully traverse Examiner's rejection of claim 1-32 as unpatentable over *Miller* under 35 U.S.C. §103(a).

Claim 1

According to the M.P.E.P. §706.02(j), in order to establish a *prima facie* case for obviousness under 35 U.S.C. §103(a) the reference(s) cited by the Examiner must, "teach or suggest all the claim limitations."

Claim 1 recites, *inter alia*, "receiving net present value bid information," "generating a net present value bid value "and" transmitting net present value bid information to a plurality of bidders." Significantly, the net present value generated represents "a sum of a series of payments over a plurality of contract term segments..." *Miller* does not teach or suggest the use of net present value information and, in particular, does not teach or suggest such receiving, generating, or transmitting of net present value information as recited in claim 1. At most, *Miller* teaches bidding wherein a single payment is made but does not teach or suggest such a sum of a series of payments over a plurality of contract term segments. As discussed in the Specification at page 11, lines 23-30 and page 12, lines 1-15, the present invention permits bidders to submit multiple parameter bids to an auction. These multiple parameters bids are transformed into an overall contract valuation that factors in the time value of money using the concept of net present value. Thus, by expressing multiple parameter bids in terms of net present value, the present invention permits buyers and/or bidders to readily compare contracts that would otherwise be difficult to compare.

The Examiner, furthermore, does not offer any reference or ground to support an obviousness rejection for such receiving, generating, and transmitting of net present value information.

Furthermore, according to M.P.E.P. §706.02(j) in order to establish a *prima facie* case for obviousness under 35 U.S.C. §103(a) when the Examiner combines reference teachings "there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings." Moreover, as discussed in M.P.E.P §2143.01, the "mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability

of the combination.” M.P.E.P. 2143.01, Sixth Paragraph, *citing In re Mills*, 916 F.2d 680, 16 USPQ2d 1430 (Fed. Cir. 1990) (emphasis original).

The Examiner further asserts that it would be obvious to inform a second bidder of a first bidder’s bid in *Miller* in light of *Miller*’s disclosure of an English auction. However, Applicant maintains that although *Miller* recites an “English auction” as one of several types of prior art auctions in the Background of the Invention section at Col. 2, lines 13-17, there is no motivation, as suggested by the Examiner, to use the open-bid English auction methodology in the arbitration system of *Miller*.

Miller, however, teaches away from combining an English auction with the method claimed in *Miller*. The stated objects of *Miller* are to provide a diverse goods arbitration system...” and to “provide an efficient and fair system and method for allocating a plurality of computer resources...” (Col. 2, lines 45-55). According to *Miller*, however, the disclosed prior art auctions, including English auctions, are “well proven systems for allocating a single resource,” but they are “not appropriate for the simultaneous arbitration of multiple goods...” Col. 2, lines 26-33. Accordingly, it would be illogical to combine the prior art English auction system with the arbitration system of *Miller*. Further, there can be no expectation that such a combination would be successful based on the disclosure in *Miller*, because *Miller* specifically teaches that English auctions are not appropriate for the simultaneous arbitration of multiple goods.

Furthermore, because the “goal of the arbitration mechanism [in *Miller*] is not to maximize monetary return to the arbiter, but rather to allocate resources to maximum declared value,” and because *Miller* does not provide for modification of bid states, there is no motivation in *Miller* to use an English auction to provide “bid information of one bidder to other bidders” as suggested by the Examiner. Col. 2, lines 64-66 and Col. 4, lines 16-31. There is no reason to share information among bidders in the method of *Miller* because it can have no impact on a given arbitration and, as discussed above, the mere fact that references can be combined is not sufficient to render the combination obvious. Additionally, according to *Miller*, English auctions are “also known as first-price, open-bid auctions.” Col. 2, lines 14-15. Yet, *Miller* specifically teaches that the arbitration system of *Miller* uses a “variant of the second-price sealed-bid auction.” Col. 2, lines 60-62. Accordingly, *Miller* does not provide any suggestion or motivation for

using the English auction as suggested by the Examiner but, rather, teaches away from that combination.

The Examiner also asserts that storing and recalling information are well known functions of computer systems and therefore obvious to use. Applicants submit, however, that neither claim 1 nor the claims that depend therefrom recite storage of or recalling information.

For the forgoing reasons, Applicants maintain that claim 1 is patentable over *Miller*, and respectfully request that the Examiner pass claim 1 to allowance.

Claims 2-6

Claims 2-6 depend from claim 1, which the Applicants assert is patentable over *Miller*. For the reasons cited above for claim 1, Applicants maintain that claims 2-6 are also patentable over *Miller*, and respectfully request that the Examiner pass claims 2-6 to allowance.

Claims 7-11

The assertions presented in connection with claim 1 are equally applicable to the system of claim 7. Thus, Applicants maintain that claim 7 is patentable over *Miller*, and respectfully request that the Examiner pass claim 7 to allowance.

Claims 8-11 depend from claim 7 which, Applicants submit is allowable. As such, Applicants submit that claims 8-11 are also allowable.

Claims 12-21

Claim 12 also recites generating, transmitting and receiving net present value bid information. Thus, the assertions presented in connection with claim 1 are equally applicable to claim 12 and Applicants maintain that claim 12 is also patentable over *Miller*. Applicants, therefore, respectfully request that the Examiner pass claim 12 and claims 13-21 that depend therefrom to allowance.

Claims 22-31

Claim 22 recites a computer program product that generates, transmits and receives net present value bid information. Thus, the assertions presented in connection with claim 1 are applicable to claim 22. Thus, Applicants maintain that claim 22 is patentable over *Miller*. Applicants, therefore, respectfully request that the Examiner pass claim 22 and claims 23-31 that depend therefrom to allowance.

Claim 32

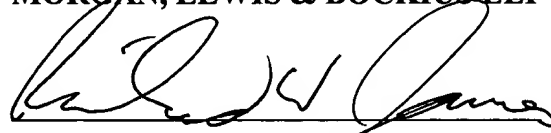
Like claim 1, claim 32 recites generating, transmitting and receiving net present value bid information. Thus, Applicants submit that claim 32 is patentable for the same reasons asserted in connection with claim 1 and respectfully request that the Examiner pass claim 32 to allowance.

CONCLUSION

In view of the foregoing, it is respectfully submitted that all independent claims are in condition for allowance, and that each dependent claim is allowable because it depends from an allowable base claim. Applicant furthermore submits that no new matter has been introduced into the amendments presented herein. Accordingly, reconsideration of the rejections presented in the Office Action dated May 9, 2001 and passage to allowance of all pending claims at an early date are earnestly solicited. If the Examiner is of the opinion that the instant application is in condition for disposition other than allowance, the Examiner is invited to contact the undersigned at 412-560-7062 in order that any concerns may be expeditiously addressed.

Respectfully Submitted,

MORGAN, LEWIS & BOCKIUS LLP



Richard W. James
Registration Number 43,690

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MORGAN, LEWIS & BOCKIUS LLP

1800 M. St. N.W.

Washington, D.C. 20036-5869

(412) 560-7062

Customer No. 009629